

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6919

BILL NUMBER: HB 1533

NOTE PREPARED: Dec 30, 2008

BILL AMENDED:

SUBJECT: Sales Tax Exemption.

FIRST AUTHOR: Rep. Walorski

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
☐ FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that the gross retail income derived from the sale of a recreational vehicle is exempt from the State Gross Retail Tax after June 30, 2009.

Effective Date: July 1, 2009.

Explanation of State Expenditures: *Department of State Revenue (DOR):* This bill could increase the administrative costs of the DOR. The DOR will have to amend the Sales Tax forms, as well as update computer software. It is estimated that the provisions of this bill could be implemented within the existing level of resources available to the DOR.

Explanation of State Revenues: It is estimated that this bill could decrease Sales Tax revenue by \$6.4 M in FY 2010 and \$6.9 M in FY 2011. The estimate for FY 2010 is adjusted for 11 months of collections due to the July 1, 2009, effective date of the bill. The revenue loss estimates are based on historical RV industry sales data from the DOR. Ultimately, the revenue loss would depend on the volume of future RV sales.

The table below shows the estimated revenue loss for each fund included in the Sales Tax distribution formula.

	Revenue Impact (in millions)	
	FY 2010	FY 2011
State General Fund	(\$6.316)	(\$6.890)
Public Mass Transportation Fund	(\$0.043)	(\$0.047)
Industrial Rail Service Fund	(\$0.002)	(\$0.002)
Commuter Rail Service Fund	(\$0.008)	(\$0.009)
	(\$6.368)	(\$6.947)

Sales Tax revenue is deposited in the state General Fund (99.178%), the Public Mass Transportation Fund (0.670%), the Commuter Rail Service Fund (0.123%), and the Industrial Rail Service Fund (0.029%).

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DOR.

Local Agencies Affected:

Information Sources: Bob Walls, DOR, 317-232-2104.

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